WASHINGTON 25, D. C.

JUN 1948

MEMORANDOM FOR: The Executive Secretary, National Security Council

Transmitted herewith is a paper proposed as a working basis for further consideration of the problem of special covert operations.

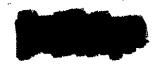
At such time as the staff is prepared to work on this subject, I will join them as the CIA member.

HILLENKOETTER Rear Admiral, USM Director of Central Intelligence

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of E.O. 12065

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STABLISHMENT OF AN OFFICE OF SPECIAL SERVICES WITHIN THE CENTRAL INTELLIGENCE AGENCY

The problem of developing U. S. Governmental activities in the field of covert political warfare is the basis for consideration of these activities by the National Security Council.

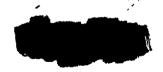
within which all covert activities can be conducted and it is already charged under NSC 4-A with the conduct of covert psychological operations abroad. In addition, the Central Intelligence Agency is already charged by the National Security Council with conducting espionage and counter-espionage operations abroad. These latter operations are by their very nature closely related to covert operations are by their very nature closely related to covert operations. It therefore seems desirable, for legal as well as operational reasons, not to create a new agency for covert political activities, but to place the responsibility for this mission within the legal structure of the Central Intelligence Agency and closely relate it to secret intelligence operations under the overall control of the Director of Central Intelligence.

Covert political warfare, as envisaged in this paper, must be developed in a manner consistent with our foreign and military policies.

These considerations lead to the following conclusions and recommendations:

Declaratified/Released on 338/
By the National Security Council under provisions of E.O. 12065

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There are, under the authority of lection 102(d) (
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that:

No conduct of covert

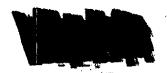
A.L. Responsibility for secret operations, as opposed

to secret intelligence operations, and including covert psychological operations conducted pursuant to NSC 4-A, in practicus and for estimation, about be placed in a new Office of Special Services to fact be created within the Central Intelligence Agency.

The Office of Special Services should have, for use security reasons, a considerable measure of autonomy within the Central Intelligence Agency.

inside or outside the Central Intelligence Agency, as determined by the Director of Central Intelligence and approved by the National Security Council, should be appointed to head the Office of Special Services.

4. To assist the Director of Central Intelligence in the maintenance of policy guidance consistent with our foreign and military policies, there should be appointed an Operations Advisory Board. This Board should be formed and developed along the lines of the Intelligence Advisory Board. The Operations Advisory Board should consist of one member each from the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Department of State. The members of the Operations Advisory Board should be selected and detailed with a view to their having the power to provide authoritative guidance to the Director of Central Intelligence in the implementation of those covert special operations to be conducted. during time of peace and to prepare plans for those operations which



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war. Those selected from the military establishment should be fraccredited by the Joint Chiefs of Staff.

f. X Supplemental funds for the conduct of the properations for fiscal year 1949 should be immediately requested.

Thereafter operational funds for these purposes will be included normal Central Intelligence Agency Budget requests.

Upon approval by the Security Council of the foregoing the Director of Central Intelligence should prepare the necessarisectives to implement the decision of the National Security (

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